

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 823 – SB 978

March 25, 2015

SUMMARY OF ORIGINAL BILL: Increases from \$25,000 to \$100,000 the threshold for which a public works project, that does not alter the structural, mechanical, or electrical system of the project, requires the employment of an engineer, architect, or landscape architect for the project.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Expenditures – Exceeds \$8,300

Decrease Local Expenditures – Exceeds \$8,300

SUMMARY OF AMENDMENT (004205): Reduces the proposed maximum threshold in the original bill from \$100,000 to \$50,000 such that the amended bill increases from \$25,000 to \$50,000 the threshold for which a public works project, that does not alter the structural, mechanical, or electrical system of the project, requires the employment of an engineer, architect, or landscape architect for the project.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note

Assumptions for the bill as amended:

- Based on information from the County Technical Assistance Service, the Comptroller of the Treasury, and the Tennessee Association of Utility Districts, and, to the extent that an engineer is not hired for at least one project with a total cost ranging between \$25,000 and \$50,000, there will be savings based on the reduction in labor costs from not be required to hire an engineer, architect, or landscape architect.
- Based on 2013 Tennessee data from the Bureau of Labor Statistics, the annual average salary of a landscape architect exceeds \$50,000; the lowest paid of the professionals listed in the bill.
- Assuming that the duration of a typical project is two months, the savings from said project would amount to at least \$8,333 [$(\$50,000 / 12) \times 2$].
- State and local government will both have at least one project with a total cost exceeding \$25,000 but less than \$50,000.
- The recurring decrease in state expenditures is estimated to exceed \$8,300; the recurring decrease in local expenditures is estimated to exceed \$8,300.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, reading "Jeffrey L. Spalding". The signature is written in a cursive style with a large, stylized "J" and "S".

Jeffrey L. Spalding, Executive Director

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